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EX PARTE OR LATE FILED

September 7, 1999

BY HAND

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, SW -- Room TW-A325
Washington, D.C. 20554

Re: CC Docket No. 98-141

Dear Ms. Salas:

On September 3, 1999, Michael Olsen, Deputy General Counsel of NorthPoint Communications, Inc. and Richard Metzger of Lawler, Metzger, and Milkman, LLC, counsel to NorthPoint, met with Robert Atkinson, Thomas Krattenmaker, and Michele Carey to present NorthPoint's views on the pending merger between SBC Communications, Inc. and Ameritech Corporation, particularly the revised conditions submitted by SBC/Ameritech on August 27, 1999. Specifically, NorthPoint expressed the following principal concerns:

1) The initial audit of transactions between an SBC/Ameritech advanced services affiliate and an SBC/Ameritech incumbent local exchange carrier is likely to occur more than a year after the affiliate has begun to obtain services from an incumbent.

2) Although NorthPoint does not object to an SBC/Ameritech affiliate's ownership of a DSLAM in a central office where competing DSL providers can install their own DSLAMs, such ownership would be a problem if there were not sufficient room in the office (*e.g.* remote offices) for the co-location of additional DSLAMs. In that event, ownership of the exclusive DSLAM would amount to ownership of a bottleneck facility.

3) The proposed conditions appear to contemplate that an SBC/Ameritech advanced services affiliate would not be required to become the exclusive provider of ADSL services for SBC/Ameritech until the affiliate had obtained certification from one or more relevant state regulatory commissions to provide service in particular states. It is not clear from the

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text of the conditions why an SBC/Ameritech advanced services affiliate would require state certification to offer ADSL services, since the FCC has classified those services as interstate special access. It may be that in the view of SBC/Ameritech, paragraph 7 of the revised conditions eliminates the need for an advanced services affiliate to obtain state certification or other approval in order to offer xDSL services. That point, however, is not made explicit in the text.
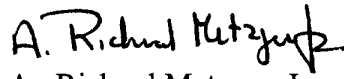
4) The proposed conditions would appear to permit SBC/Ameritech to discontinue surrogate line sharing charges immediately on the date that SBC/Ameritech begins to offer line sharing to unaffiliated parties in the same geographic area and would require a competing local exchange carrier to migrate all of its existing surrogate line sharing customers to new, shared lines within 60 days in order to avoid payment of non-recurring charges. These provisions would affect adversely NorthPoint and other competing carriers, because they would be required to begin paying substantially higher loop charges to SBC/Ameritech incumbent local exchange carriers immediately and simultaneously have to develop a plan for moving all of their existing customers to new service arrangements. Since the movement of each customer would require on-site work by NorthPoint technicians, the effect of the extremely limited window likely would be to force NorthPoint to suspend all new installations. NorthPoint suggested that SBC/Ameritech agree to "grandfather" all existing customers under the surrogate line sharing program. Alternatively, SBC/Ameritech could be required to give competitive local exchange carriers reasonable advance notice of the availability of line sharing in a particular geographic area and then provide such carriers 60 days within which to give SBC/Ameritech a list identifying the competitive carriers' customers that are to be moved to the new line sharing arrangements. The surrogate line sharing prices would apply to the identified customers until the migration could be completed. The new prices for DSL service would apply immediately to existing customers that continue to use a separate loop for their xDSL service from NorthPoint and other unaffiliated carriers.

5) The provisions governing access to the SBC/Ameritech Operations Support Systems (OSS) for loop qualification data, as revised, would appear to deny for an infinite period NorthPoint and other DSL providers effective access to the basic information that they need to determine whether and how their advanced services can be provided to current SBC/Ameritech customers. Because the SBC/Ameritech OSS is designed solely to advise SBC/Ameritech retail DSL providers whether their ADSL products can be offered to particular customers, the only way in which NorthPoint and unaffiliated competing providers, under the proposed conditions, can obtain access to the loop information they need is through manual review of plant records by SBC/Ameritech personnel.

6)   The revised conditions properly eliminate the previously proposed excessive charges for conditioning loops to handle xDSL services. The revised conditions, however, propose to defer the issue entirely to state commission determinations and it is unclear whether and how a competitive local exchange carrier would be able to obtain line conditioning at reasonable charges in the interim. NorthPoint suggested that SBC/Ameritech establish reasonable interim charges for line conditioning, subject to a truing up after a state commission has acted on the rates proposed by SBC/Ameritech, as required by paragraph 21 of the revised conditions.

Pursuant to section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. §1.1206(b)(1), an original and one copy of this letter and enclosure are being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,

A. Richard Metzger, Jr.

cc: Robert Atkinson
        Thomas Krattenmaker
        Michele Carey